

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 1
FOR THE REGULAR MEETING OF
TUESDAY, JANUARY 7, 2003**

SPECIAL ORDERS OF BUSINESS

ITEM-S500: Ed Ryan Day.

MAYOR MURPHY'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-870)

Recognizing Ed Ryan for his twenty years of City of San Diego work experience as the City Auditor and Comptroller;

Proclaiming January 7, 2003 to be "Ed Ryan Day" in the City of San Diego.

ADOPTION AGENDA, CONSENT ITEMS

RESOLUTIONS:

* ITEM-S501: Reappointments to the Board of Building Appeals and Advisors.

(See memorandum from Mayor Murphy dated 12/13/2002 with resumes attached.)

MAYOR MURPHY'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-866)

Council confirmation of the following reappointments by the Mayor to serve as members of the Board of Building Appeals and Advisors, in categories as indicated, for terms ending March 1, 2004:

Arturo M. Castro (Architect)

Scot Deal (Fire Protection Engineer)

Richard G. Grabhorn (Civil Engineer)

Jean Marie Libby (Civil Engineer)

Dinesh K. Patel (Fire Protection Engineer)

ADOPTION AGENDA, CONSENT ITEMS (Continued)

RESOLUTIONS: (Continued)

* ITEM-S502: TransNet Commercial Paper.

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-825)

Authorizing the City Manager to request advance funding from SANDAG through the TransNet commercial paper program in an amount not to exceed \$7,000,000 for the projects;

Authorizing the City Manager to execute any necessary documents relating to the receipt of said funds from SANDAG;

Authorizing the City Manager to declare that the City acknowledges that it is responsible for paying its proportionate share of the annual interest and administrative costs of the commercial paper program, which will be deducted from the City's monthly TransNet sales tax allocations prior to remittance to the City, based on the ratio of the amount of financing provided to the City to the total commercial paper outstanding each fiscal year;

Authorizing the City Manager to declare that the first priority use of the City's annual allocation of TransNet revenues shall be payment of the principal amount borrowed according to the schedule;

Authorizing the City Auditor and Comptroller to repay SANDAG the principal amount of \$7,000,000 according to the dates on schedule.

ADOPTION AGENDA, CONSENT ITEMS (Continued)

RESOLUTIONS (Continued):

* ITEM-S502: (Continued)

CITY MANAGER SUPPORTING INFORMATION:

As part of the Fiscal Year 2003 Final Capital Improvements Program Budget, the Mayor and City Council approved \$59.4 million in capital improvement projects funded by the TransNet Program. Of this total amount, \$26.9 million is from TransNet Sales Tax (TransNet) and \$32.5 million is from TransNet Commercial Paper (commercial paper). Commercial paper is a short-term borrowing tool used to raise cash needed to cover cash flow deficits and is an option available through SANDAG. In an attempt to minimize the issuance of commercial paper, staff utilizes a cash management system which identifies available cash. Cash is then transferred to commercial paper funded projects that require immediate financing. To maintain the balance of appropriations within the CIP budget, an equal amount of commercial paper is then moved to the cash funded project until it is in need of cash. This process continues throughout the year which reduces the use of debt, and maximizes the use of available cash. While the cash management effort has enabled us to postpone issuing commercial paper, it is estimated that approximately \$7 million in commercial paper will be needed this fiscal year to fulfill our short-term financing needs. Therefore, it is recommended that the City request advance funding from SANDAG through their commercial paper program to fund the remaining Fiscal Year 2003 project requirements. The commercial paper will be needed for the capital improvement projects.

FISCAL IMPACT:

The annual cost of Commercial Paper is approximately \$46,500 per \$1 million and is available in Fund 30300, CIP-52-683.0, Debt Service for Commercial Paper Funded Projects. The principal amount will be repaid according to dates on schedule.

Loveland/Belock/SMC